

STATEMENT FOR THE RECORD

THE HONORABLE ADAM H. PUTNAM

FINANCIAL SERVICES COMMITTEE HEARING on
H.R. 6078, THE GREEN RESOURCES FOR ENERGY EFFICIENT NEIGHBORHOODS ACT OF 2008

JUNE 11, 2008

I would like to thank Chairman Frank and Ranking Member Bachus for bringing attention today to an issue that overwhelmingly affects our constituents daily, energy efficiency; and more importantly the failure of this Congress to enact legislation that would address our nation's current energy crisis.

Last week, we witnessed the largest tax increase in American history, and at a time when too many hard-working families are already facing challenging economic times, this week we witnessed the national average for a gallon of regular unleaded gasoline hit \$4.00. It is simply indefensible that since January 2007, the price of gasoline has risen 75 percent and Congress' response has been inaction.

Americans deserve more than empty promises, they deserve solutions that will bring down the price of gasoline. If Congress continues to stall on addressing our nation's energy crisis, I dare to imagine the damaging effects high gas prices will continue to have on our nation's families and our economy.

In my home state of Florida, the affects of sky-rocketing gasoline prices continue to have detrimental effects. According to the Florida Department of Agriculture and Consumer Services:

- If Florida experiences the same level of wildfire activity as last year (3,500 fires that burned over 500,000 acres), the state's fuel costs to fight these fires will be \$2.5 million higher than last year.
- The cost of food, directly tied to the cost of fuel, has skyrocketed. With the same amount of money, FDACS has purchased 10 million tons less food this year for emergency feeding programs than last year. In addition, charitable feeding organizations around the state are having trouble covering the transportation costs of donations.

- If Florida experiences a hurricane season like 2004 or 2005, the high cost of diesel will impact everyone from homeowners to grocery stores to gas stations themselves as generators will be used extensively where power outages occur, exacerbating an already difficult situation.
- FDACS fuel costs for its programs, separate from wildfire containment, have increased over \$3 million over the last 3 years. This includes activities such as food safety inspections, fruit fly trapping, pest/disease inspections, certifying gas pumps and other weights/measures for accuracy, inspecting LP gas storage and handling facilities, conducting laboratory tests for food borne pathogens, etc. Many of these activities require vehicles and therefore fuel.
- Florida has the highest propane prices in the country due to our location and transportation costs. The largest users of propane are industrial and agricultural which will likely have to pass their increased costs onto the consumer. This is also contributing to the decline in tourism as many RV's run their appliances on propane. We have heard that the price is driving the industry out of the residential market altogether.
- Cost for diesel fuel to get Florida calves to western markets has doubled in the last 12 months. Florida ranchers are expected to receive \$12 million less for their calves this year than last year as a result of the increased fuel costs being deducted from the prices they receive.
- Agricultural production costs have risen dramatically due to increased fuel costs. Cost of fertilizer alone is up 67% over last year. Agricultural producers are reporting that they cannot afford diesel to run their irrigation pumps and are completely weather dependent, significantly lowering their yields.
- School districts around the state are already advising parents that they will not be providing activity buses for the 2008/2009 school year. These buses provide transportation to students participating in after school activities.
- Approximately 75% of Florida's offshore fishing boats are not leaving the dock due to the price of diesel. Fuel costs per trip are averaging over \$1,000 a day.
- Many gas pumps are manufactured to automatically shut off at \$75.00. With the current prices, some consumers are unable to fill their tanks with this amount.
- Participation at some sporting events, particularly horse shows, is reported to be down due to the high cost of diesel. This has an ancillary economic impact on the hotels and restaurants in the area.
- Boat sales in Florida are plummeting and we have heard of some manufacturers who are closing down. Boat sales and boating generally is an economic engine in some coastal areas of the state.

Mr. Chairman, it is past due that this Congress enact legislation that would develop a comprehensive energy policy that will boost supplies of all forms of energy right here at home to reduce our dependence on foreign sources of energy, create American jobs, and grow our economy.

With 21st Century technologies and the strictest environmental standards in the world, I believe America can become more energy independent and protect our environment at the same time. Toward this end, we must pursue research and development of technological innovations which advance the use of renewable and domestically available energy sources, increase energy efficiency, and ease the environmental impacts of energy use.

There are currently a number of proposals that my fellow colleagues have introduced that would address the current energy crisis, and bring about the solutions that American's have been waiting for. We must address this crisis with an "all of the above" approach to increasing our domestic energy supply – including developing new technologies, increasing domestic production of all energy sources, and incentivizing conservation measures. The American family – as well as our national security – cannot afford to rely on imports from unstable regions of the world. Reducing prices requires a comprehensive approach, which this Congress has failed to do. I urge this Congress to move forward on these solutions to lower prices, and to not settle on the status quo of broken promises.

Again, I thank the Chairman and the Ranking Member for holding today's hearing and sincerely hope that Congress can move forward in solving our nation's energy crisis.